

**ASSEMBLY BILL**

**No. 783**

**Introduced by Assembly Member Kelley**

February 22, 2001

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An act to amend 7507.10 of the Business and Professions Code, relating to collateral recovery.

LEGISLATIVE COUNSEL'S DIGEST

AB 783, as introduced, Kelley. Repossession agencies.

Existing law, the Collateral Recovery Act, requires a licensed repossession agency to serve a debtor with a notice of seizure as soon as possible after the recovery of collateral and requires the notice to contain certain information.

This bill would require that the notice also contain a disclosure of the charges owed to the repossession agency for storage of the collateral and personal effects from the date of repossession until release of the property from storage.

Because the bill's provisions would expand the definition of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 7507.10 of the Business and Professions Code is amended to read:

7507.10. Each licensee shall serve a debtor with a notice of seizure as soon as possible after the recovery of collateral and not later than 48 hours, except that if the 48-hour period encompasses a Saturday, Sunday, or postal holiday, the notice of seizure shall be provided not later than 72 hours or, if the 48-hour period encompasses a Saturday or Sunday and a postal holiday, the notice of seizure shall be provided not later than 96 hours, after the repossession of collateral. The notice shall include all of the following:

(a) The name, address, and telephone number of the representative of the legal owner to be contacted regarding the repossession.

(b) The name, address, and telephone number of the representative of the repossession agency to be contacted regarding the repossession.

(c) A statement printed on the notice containing the following: “Repossessors are regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA 95814. Repossessors are required to provide you, not later than 48 hours after the recovery of collateral, with an inventory of personal effects or other personal property recovered during repossession unless the 48-hour period encompasses a Saturday, Sunday, or a postal holiday, then the inventory shall be provided no later than 96 hours after the recovery of collateral.”

(d) A disclosure that “Damage to a vehicle during or subsequent to a repossession and only while the vehicle is in possession of the repossession agency and which is caused by the repossession agency is the liability of the repossession agency. A mechanical or tire failure shall not be the responsibility of the repossession agency unless the failure is due to the negligence of the repossession agency.”

(e) If applicable, a disclosure that “Environmental, Olympic, special interest, or other license plates issued pursuant to Article 8 (commencing with Section 5000), Article 8.4 (commencing with Section 5060) or Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3 of the Vehicle Code that remain the

1 personal effects of the debtor will be removed from the collateral  
2 and inventoried, and that if the plates are not claimed by the debtor  
3 within 60 days, they will be destroyed.”

4 *(f) A disclosure of the charges payable by the debtor to the*  
5 *repossession agency for the storage of the collateral and personal*  
6 *effects from the date of repossession until release of the property*  
7 *from storage.*

8 The notice may be given by regular mail addressed to the last  
9 known address of the debtor or by personal service at the option  
10 of the repossession agency.

11 SEC. 2. No reimbursement is required by this act pursuant to  
12 Section 6 of Article XIII B of the California Constitution because  
13 the only costs that may be incurred by a local agency or school  
14 district will be incurred because this act creates a new crime or  
15 infraction, eliminates a crime or infraction, or changes the penalty  
16 for a crime or infraction, within the meaning of Section 17556 of  
17 the Government Code, or changes the definition of a crime within  
18 the meaning of Section 6 of Article XIII B of the California  
19 Constitution.

